

Message Text

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ORIGIN NEA-10

INFO OCT-01 AF-10 EUR-12 IO-14 ISO-00 PA-02 H-02
SSM-05 SIG-03 PM-05 INR-10 L-03 NSAE-00 SP-02
SS-15 SSO-00 INRE-00 EB-08 OMB-01 DOE-15 TRSE-00
DOEE-00 /118 R

DRAFTED BY NEA/P:WBHARRIS
APPROVED BY NEA/P:GFSHERMAN
PA/PRESS - MR. CARTER
H - MR. FLATEN
SSM - MR. MCANDREW
NEA/IAI - MR. SMITH
NEA/ARN - MR. DRAPER
NEA/ARP - MR. TWINAM
NEA/EGY - MR. NEWBERRY

-----092039 222300Z /64

O 222207Z MAR 78
FM SECSTATE WASHDC
TO AMEMBASSY AMMAN IMMEDIATE
AMEMBASSY BEIRUT IMMEDIATE
AMEMBASSY CAIRO IMMEDIATE
AMEMBASSY DAMASCUS IMMEDIATE
AMCONSUL JERUSALEM IMMEDIATE
AMEMBASSY TEL AVIV IMMEDIATE
AMEMBASSY JIDDA IMMEDIATE
AMEMBASSY MANAMA
AMEMBASSY RABAT
AMEMBASSY SANA
AMEMBASSY TEHRAN
AMEMBASSY TRIPOLI
AMEMBASSY TUNIS
USMISSION SINAI
AMCONSUL DHAHRAN
USMISSION GENEVA
AMEMBASSY KHARTOUM
AMEMBASSY LONDON
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AMEMBASSY MOSCOW
USMISSION USNATO
AMEMBASSY PARIS
AMEMBASSY ROME
USMISSION USUN NEW YORK
AMEMBASSY ABU DHABI
AMEMBASSY ALGIERS

USINT BAGHDAD
AMEMBASSY DOHA
AMEMBASSY KUWAIT
USCINCEUR
JCS
DOD
CIA
USIA
NSC

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CINCEUR FOR POLAD; TEL AVIV FOR PAO, DELIVER BY 9 A.M.

E.O. 11652: N/A

TAGS: PFOR

SUBJECT: STATE DEPARTMENT PRESS BRIEFING - MARCH 22, 1978

1. FOR YOUR INFORMATION AND GUIDANCE FOLLOWING ARE EXCERPTS
FROM DEPARTMENT PRESS BRIEFING FOR MARCH 22, 1978. FYI
ONLY, OFFICER PRESENT TODAY WAS JOHN TRATTNER.

Q. WHAT IS YOUR UNDERSTANDING OF WHEN THE ADMINISTRATION
IS FORMALLY GOING TO PRESENT THIS PLANE PACKAGE?
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A. MY UNDERSTANDING IS THAT THE ADMINISTRATION WILL FOR-
MALLY PRESENT THE PACKAGE OF AIRCRAFT SALES PROPOSALS TO
THE MIDDLE EAST SOME TIME AFTER THE CONGRESSIONAL EASTER
RECESS, BUT I DON'T THINK THE TIME HAS BEEN FIXED.

Q. HASN'T IT BEEN SAID THAT THE NOTICE WILL GO OVER
AFTER THE SENATE VOTES ON THE SECOND PANAMA TREATY?

A. I DON'T THINK WE HAVE SAID THAT OFFICIALLY.

Q. SENATOR BYRD QUOTED VANCE AS SAYING THAT HE WOULD WAIT
FOR FORMAL PRESENTATION AFTER.

A. I HAVE NO REASON TO BELIEVE THAT IS NOT GOING TO BE
THE CASE, BUT I DON'T CARE TO STATE IT FORMALLY AT THIS
POINT.

Q. COULD I RETURN TO A SUBJECT OF A COUPLE OF DAYS AGO
ABOUT THE ISRAELI USE OF AMERICAN WEAPONS IN LEBANON?
HAS THE DEPARTMENT INFORMED THE WHITE HOUSE THAT A
VIOLATION OF THE TERMS OF USE OF THOSE WEAPONS MAY HAVE

OCCURRED?

A. NOT TO MY KNOWLEDGE. ON THAT SUBJECT, WE ARE JUST WHERE WE WERE. AS YOU KNOW, THE SECRETARY WAS QUERIED ABOUT THAT IN A LETTER FROM TWO CONGRESSMEN, AND THAT ANSWER IS BEING PREPARED, AND WILL BE FORTHCOMING SHORTLY. I DON'T WANT TO DEFINE "SHORTLY" FOR YOU, BUT I MEAN THERE IS NOT BEING ANY LAG ON IT, AND UNTIL IT COMES, I AM NOT GOING TO BE ABLE TO GET INTO IT WITH YOU VERY FAR.

Q. IS IT A FACTUAL QUESTION OR IS IT A POLITICAL QUESTION? I MEAN, ARE YOU TRYING TO DETERMINE WHETHER THE FACTS WARRANT SUCH A REPORT, OR WHETHER THE LAW REQUIRES SUCH A REPORT, OR WHAT?
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A. I THINK ALL OF THOSE THINGS. I THINK WE WILL TAKE WHAT THE LAW SAYS INTO ACCOUNT, AND LOOK AT THE FACTS. BUT I AM REALLY IGNORANT ON THE SUBJECT FOR YOU RIGHT NOW.

Q. IS YOUR TERM "SHORTLY" POSSIBLY TO BE INTERPRETED AS SOON AS A CERTAIN EL AL FLIGHT HAS LIFTED OFF JOHN F. KENNEDY TOMORROW AFTERNOON?

A. NOT AT ALL.

Q. THE FIGURES ARE STILL THE SAME?

A. THE FIGURES ARE STILL THE SAME.

ON DICK MOOSE, HE IS REMAINING IN SOMALIA AN ADDITIONAL DAY TO CONTINUE THE TALKS. OF COURSE I CAN'T DETAIL THE NATURE OF THE TALKS THAT HE IS HAVING WITH PRESIDENT SIAD OTHER THAN TO SAY THAT THEY ARE USEFUL, AND THAT IS THE EXTENT OF WHAT I CAN TELL YOU ABOUT DICK'S ADVENTURES AT THE MOMENT.

Q. HE IS STILL GOING TO SAUDI?

A. YES, AS FAR AS I KNOW, HE IS.

Q. WILL HE BE BACK ON SATURDAY?

A. THE LAST I HEARD WAS PROBABLY FRIDAY, SCOTT.

Q. HAVE WE BEEN TALKING TO THE SAUDIS ABOUT THE QUESTION OF A LINK IN OIL PRICES TO THE DOLLAR?

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A. WE ARE IN CONVERSATION WITH THE SAUDIS ALL THE TIME ON THAT AND OTHER SUBJECTS. YOU ARE REFERRING TO STORIES THAT I THINK ARE APPEARING THIS MORNING?

Q. THAT IS CORRECT. THE KING SENT A LETTER TO PRESIDENT CARTER. THE IDEA IS THAT YOU LINK AN OIL PRICE TO THE STABILITY OF THE DOLLAR. I THINK THAT WAS THE ISSUE. AND AS THE DOLLAR FALLS, THEY ARE GETTING LESS MONEY FOR THE OIL THEY SELL AND THEREFORE THEY MAY HAVE TO RAISE THE PRICE OF THE OIL THEY SELL.

A. LET ME FIRST SAY, AS A PREFACE, SOMETHING YOU ALL KNOW, WHICH IS THAT I AM NOT GOING TO BE ABLE TO GO INTO DETAIL ON THE COMMUNICATION BETWEEN THE PRESIDENT AND THE HEADS OF FOREIGN GOVERNMENTS AND STATES.

OBVIOUSLY IN RECENT WEEKS, A NUMBER OF OPEC COUNTRIES HAVE EXPRESSED PUBLIC CONCERN ABOUT THE FLUCTUATIONS IN THE DOLLAR AGAINST FOREIGN CURRENCIES. AND OBVIOUSLY IT GOES WITHOUT SAYING THAT THE DOLLAR DECLINE ON INTERNATIONAL MARKETS DOES HAVE AN EFFECT ON COUNTRIES WHO RETAIN MAJOR INVESTMENTS IN DOLLARS AND WHICH PRODUCE THINGS SUCH AS OIL THAT ARE TRADED IN DOLLARS. WE ARE, OF COURSE, AWARE OF ALL OF THAT, AND WE UNDERSTAND THAT THE USE OF THE DOLLAR AS A MAJOR INTERNATIONAL MEDIUM OF EXCHANGE, CURRENCY, CREATES OR PRODUCES SPECIAL RESPONSIBILITIES FOR US, WHICH WE INTEND TO MEET.

WE ARE TAKING MAJOR STEPS TO CORRECT THE UNDERLYING REASONS FOR THE DOLLAR DEPRECIATION.

NOW, SAUDI ARABIA HAS BEEN OUTSPOKEN IN ITS SUPPORT OF THE DOLLAR. WE REMAIN IN CLOSE CONTACT WITH THEM. THEY SHARE OUR DESIRE TO SEE A STRONG AND STABLE DOLLAR WHICH CONTRIBUTES TO ORDERLY GROWTH IN THE WORLD'S ECONOMY.

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Q. WHEN YOU SAY YOU ARE TAKING MAJOR STEPS TO CORRECT THE UNDERLYING REASONS, ARE YOU TALKING ABOUT THE PRESIDENT'S ENERGY PACKAGE?

A. THAT IS ONE OF THE THINGS, OF COURSE, AND WE HAVE BEEN WORKING ON THAT, AS YOU KNOW, FOR ALMOST A YEAR. .

Q. IT IS ONE THING TO SHARE A DESIRE TO SEE THE DOLLAR CONTINUE TO BE USED AS A BASIS FOR CURRENCY, BUT THE QUESTION INITIALLY RELATED TO WHETHER THE PRICE OF OIL WOULD NOW GO UP BECAUSE THE DOLLAR IS DECLINING IN VALUE. IS THAT WHAT YOU ARE TALKING ABOUT, AND ARE YOU NOW AWARE THAT THIS IS REALISTICALLY WHAT OPEC INTENDS TO DO? THEY ARE GOING TO MEET IN EARLY APRIL.

A. I AM NOT SAYING THAT WE HAVE ANY AWARENESS THAT OPEC INTENDS TO DO ON THIS.

Q. WHEN YOU TALK TO THE SAUDIS, WHAT DO THEY TELL YOU, THAT THE PRICE WILL REMAIN FROZEN EVEN THOUGH THE DOLLAR WILL DECLINE?

A. I AM NOT, AGAIN, AT LIBERTY TO TELL YOU WHAT THE SAUDIS HAVE TOLD US ABOUT -- OR MAY HAVE TOLD US -- I AM NOT SURE THAT THEY HAVE, I AM NOT SAYING THAT THEY HAVE TOLD US ANYTHING -- BUT I AM NOT GOING TO BE ABLE TO GO INTO IT WITH YOU.

VANCE

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